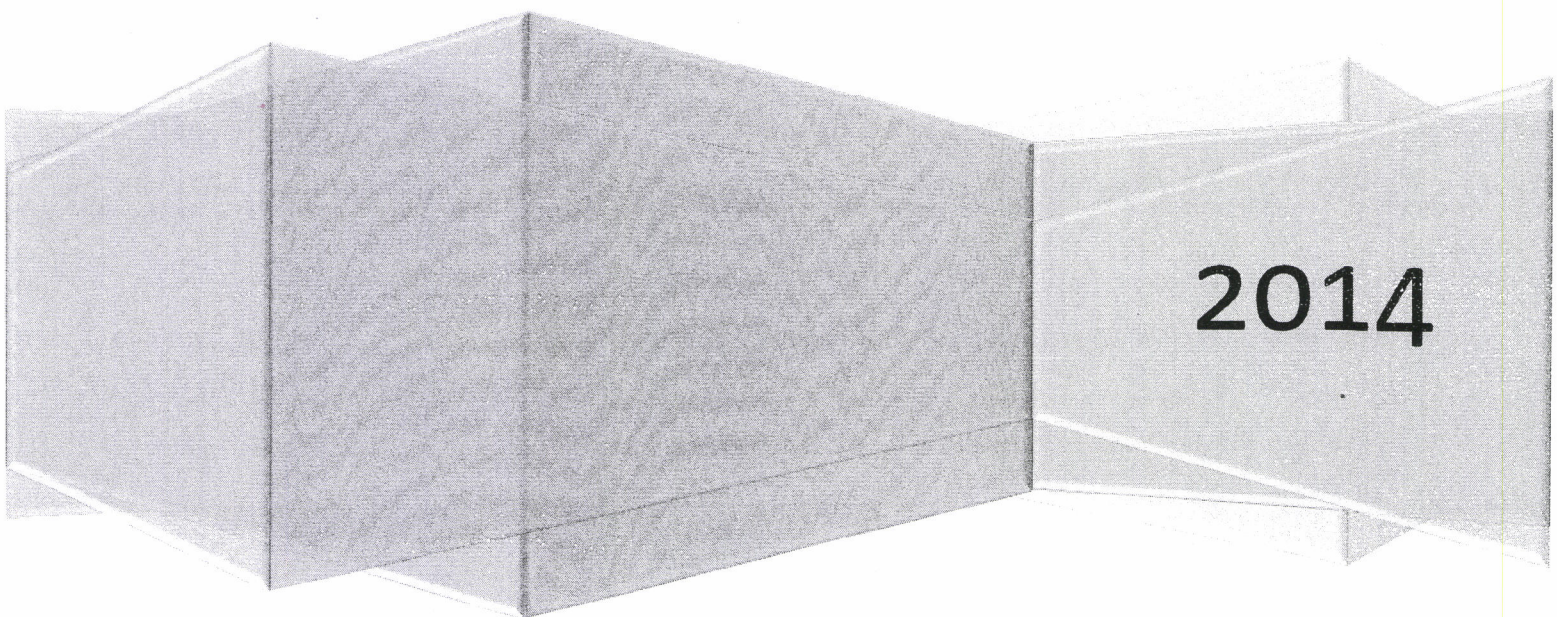


Montana State Government – Leading by Example

# Montana State Government's Pay Audit

Executive Summary, Report and  
Recommendations



## Contents

Introduction .....	3
Pay Audit Overview .....	3
Agency Distribution.....	3
Figure 1 .....	4
Occupation.....	4
Figure 2 .....	5
Conclusion.....	5
Recommendations .....	5
Band Level.....	6
Broadband.....	6
Conclusion.....	6
Recommendations .....	6
Blue Collar.....	6
Conclusion.....	7
Recommendations .....	7
Job Code.....	7
Conclusion.....	8
Recommendations .....	8
Average Pay by Generation .....	8
Figure 3 .....	9
Conclusion.....	9
Recommendations .....	9
Collective Bargaining in the Executive Branch.....	9
Figure 4 .....	10
Collective Bargaining Units .....	10
Figure 5 Gender Representation by Collective Bargaining Unit .....	11
Conclusion.....	12
Education and Experience.....	12
Education .....	12
Figure 6 .....	12
Conclusion.....	13

Recommendations .....	13
Experience.....	13
Figure 7 .....	14
Conclusion.....	14
Recommendations .....	14
Supervisors and Managers.....	14
Supervision by Band Level .....	15
Figure 8 .....	15
Conclusion.....	16
Recommendations .....	16
Executive Management .....	16
Figure 9 .....	17
Conclusion.....	17
Recommendations .....	17



## **Introduction**

As part of Governor Bullock's Executive Order 5-2013, the State Human Resources (division) conducted a pay audit for the executive branch of Montana state government. This executive order requires the division to, "[l]ead by example by conducting a state employee workforce audit, making recommendations that ensure pay equity in state agencies and public contractor companies."

A pay audit is an in-depth review and analysis of the compensation system, as well as monitors an entity's pay practices, to specifically assess whether gender-based compensation disparities exist. Results from this pay audit will be reported to the Equal Pay for Equal Work Task Force, and may be used for statewide and individual agency initiatives.

The division reviewed pay practices and pay rates for employees in the broadband and blue collar pay plans, capturing pay information for these employees as of January 24, 2014. This pay audit does not include pay information for the employees of the Montana State Fund, elected officials, appointed staff, the legislative branch, the judicial branch, or the Montana University system.

## **Pay Audit Overview**

During a June 13, 2013, news release, Governor Bullock reported, "Montana women make 67% of what men earn, putting Montana at 39<sup>th</sup> place for pay equity in the nation." In comparison to Montana's state ratio, women in this pay audit make 86.09% of what men earn. The following sections provide information about pay and gender representation within the executive branch of Montana state government.

## **Agency Distribution**

Approximately 50% of the workforce is female, and 50% is male. Some agencies, such as the Department of Public Health and Human Services and Office of Public Instruction, have a higher representation of females (75.98% and 76.36% respectively). Other agencies, such as the Department of Transportation and Fish Wildlife and Parks, have a higher representation of males (79.82% and 72.63% respectively).

The following table provides gender distribution by agency.



Figure 1

Agency Name	# Females	# Males	Total Employees	% female	% male
Montana Arts Council	8		8	100.00%	0.00%
Political Practices	4		4	100.00%	0.00%
School for Deaf and Blind	33	9	42	78.57%	21.43%
Office of Public Instruction	126	39	165	76.36%	23.64%
Public Health & Human Services	2173	687	2860	75.98%	24.02%
Board of Public Education	2	1	3	66.67%	33.33%
Montana Historical Society	42	21	63	66.67%	33.33%
Commerce	119	61	180	66.11%	33.89%
Secretary of State	29	16	45	64.44%	35.56%
State Auditor	46	26	72	63.89%	36.11%
Revenue	401	227	628	63.85%	36.15%
Agriculture	64	37	101	63.37%	36.63%
Labor & Industry	455	289	744	61.16%	38.84%
Montana State Library	34	22	56	60.71%	39.29%
Office of the Public Defender	121	91	212	57.08%	42.92%
Governors Office	17	15	32	53.13%	46.88%
Administration	260	279	539	48.24%	51.76%
Environmental Quality	186	230	416	44.71%	55.29%
Justice	327	436	763	42.86%	57.14%
Corrections	509	743	1252	40.65%	59.35%
Livestock	57	84	141	40.43%	59.57%
Public Service Commission	12	18	30	40.00%	60.00%
Natural Resources & Conservation	191	306	497	38.43%	61.57%
Military Affairs	58	143	201	28.86%	71.14%
Fish Wildlife & Parks	182	483	665	27.37%	72.63%
Transportation	396	1566	1962	20.18%	79.82%

When analyzing pay information for state government, a primary reason for differences in pay rates for each of the agencies is the key occupations within the agency. As most employees are in the broadband pay plan, and occupations within the pay plan and each agency drive much of the pay for employees, this report first discusses the state's occupations within the two classified pay plans.

## Occupation

Classified employees in the executive branch belong to either a broadband or a blue collar pay plan. Occupation is a key factor for pay in the broadband plan. The broadband plan consists of 11,008 employees, or 94.24%. Occupation is not a pay factor in the blue collar plan, as all employees in a grade make the same rate, regardless of the job. The blue collar plan consists of 673 employees, or 5.76%.

The following table provides the top job titles for both plans by gender.

Figure 2

Top Job Titles Females	Count	Top Job Titles Males	Count
Administrative Assistant	425	Correctional Officer	323
Social Service Specialist	306	Maintenance Tech IV	204
Child Family Social Worker	270	Highway Patrol Officer	165
Psychiatric Aide	159	Civil Engineering Specialist	165
Compliance Specialist	151	Lawyer	156
Registered Nurse	129	Civil Engineering Technician	146
Lawyer	125	Psychiatric Aide	138
Program Manager	120	Program Manager	137
License Permit Technician	120	Environmental Science Spc	124
Nursing Aide	116	Construction Trades	117
		SupMgr	

As demonstrated by this table, the top job titles for females are:

- office support occupations
- social worker occupations
- nurses and health support occupations
- lawyers
- one of the top ten occupations for females is Program Manager (executive management)

The top job titles for males are:

- protective service occupations
- blue collar workers and construction trades supervision jobs
- engineer and engineer technician jobs
- lawyers
- environmental science specialist
- health care support
- one of the top ten occupations for males is Program Manager (executive management)

### Conclusion

Occupation continues to be one of the top reasons for pay differences in Montana state government. This mirrors findings from national studies and nationwide statistics.

### Recommendations

Increased educational opportunities for women in STEM (Science, Technology and Math) occupations, on-the-job training, outreach opportunities to colleges and professional associations, or targeted partnerships with schools or organizations for STEM occupations, may help to close the pay gap. State agencies should research partnerships with these organizations.

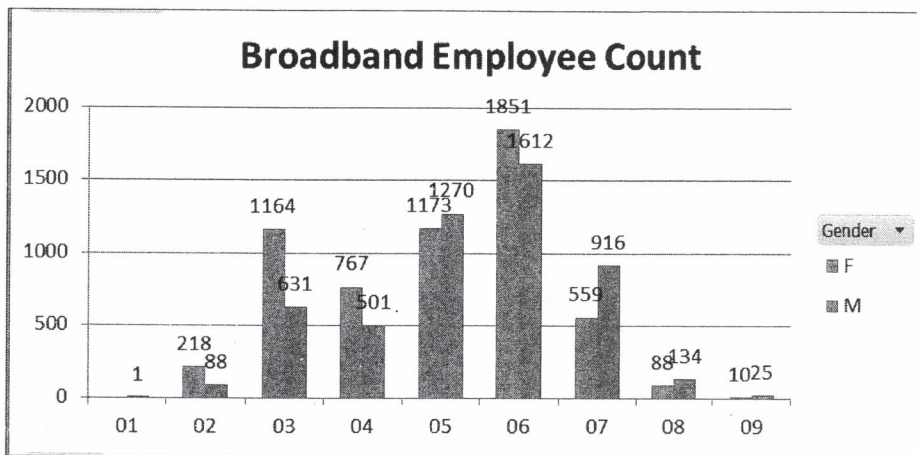


## Band Level

Another important aspect of pay is the band level. Band level is based on the complexity of work. Most occupations have more than one pay band, or level of work. Band level is important because higher band levels within an occupation represent progressively more complex work.

## Broadband

In the broadband pay plan, more complex work generally results in higher pay for those higher level employees within an occupation. Following is the employee count by band level and gender, within each of the two pay plans.



As demonstrated by this chart, bands 2, 3, 4, and 6 in the broadband plan have more females than males. Bands 5, 7, 8, and 9 have larger numbers of males.

## Conclusion

Employee count by band level and gender is partially influenced by occupational choice. Occupations with less complex work occur at lower band levels, such as office and health care support. Occupations with more complex work, such as engineering, science, technology, and law, occur at higher band levels.

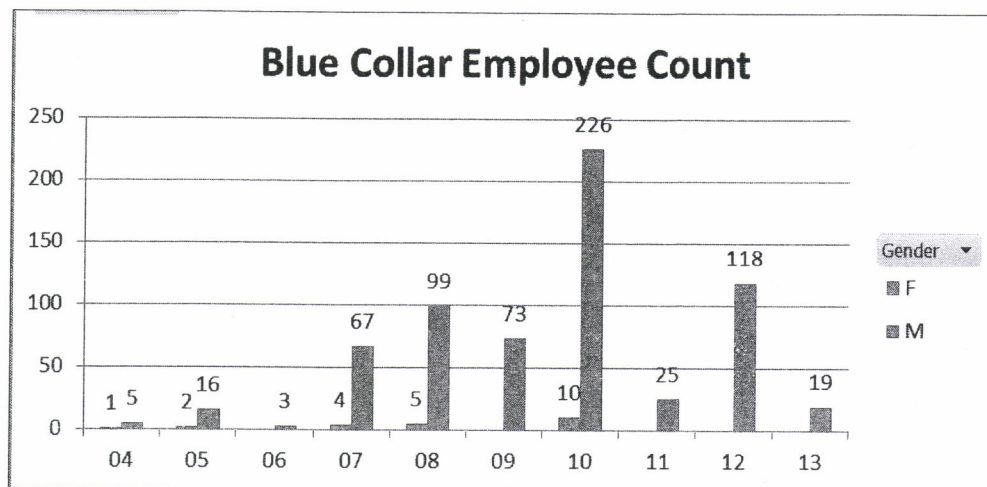
## Recommendations

Providing stretch assignments for women to gain experience in higher level occupations, and higher representation of women at higher band levels, may help in closing the pay gap. State agencies should research these opportunities for women within the agency.

## Blue Collar

In blue collar, points are assigned to each of five factors, resulting in a grade level. The grade results in a pay rate. The following table provides the count of employees, by gender, for each grade.





As demonstrated by this chart, very few females are in the blue collar plan. The blue collar plan contains primarily trade and craft occupations, such as carpenters, plumbers, mechanics, and highway maintenance workers.

### Conclusion

Blue collar occupations are usually higher paid occupations compared to office support positions. However, similar to national statistics, representation of women in these occupations is traditionally very low.

### Recommendations

Higher representation of women in blue collar positions may help to close the pay gap. State agencies should address this issue by helping to promote employment opportunities for women in these occupations.

### Job Code

Occupation plus band level equals a job code. Job code is an important factor when comparing pay rates by gender for equal pay for equal work considerations. Currently, the two pay plans have classified employees in 615 out of 809 possible job codes (756 of the 809 codes are broadband). However, not all of these job codes have both female and male representation. When only considering job codes represented by both genders, the average woman makes 98.68% of what men earn, compared to the overall average of 86.09%.

Representation by gender using job codes from both the broadband and blue collar plans include the following statistics:

- 352 job codes have both male and female representation
- 165 job codes have no female representation
- 98 job codes have no male representation

Of the jobs with no female representation, most are blue collar craft and trade jobs. Examples include carpenters, mechanics, electricians, maintenance workers, drivers, painters, plumbers, etc. Other job codes with no female representation include certain protective service jobs (such as firefighters, highway patrol sergeants and lieutenants or game warden captains), surveyors, drafters, and mediators.

Of the job codes with no male representation, most include customer service and office support occupations, medical assistants (such as medical records technicians, dental and medical assistants, medical secretaries, pharmacy assistants, and nurse practitioners), and education or library positions (education and library supervisors, adult remedial teachers, special education teachers).

### **Conclusion**

Pay comparisons between women and men within the same job codes (at the same occupation and level) are similar. While pay within a job code is similar between genders, the types of occupations with no female representation tend to be higher paid occupations than those with no male representation.

### **Recommendations**

Encouraging career choices for women for those job codes with no female representation, educational opportunities in STEM fields and alternative occupations, as well as providing outreach and communication about career opportunities, may help to close the pay gap.

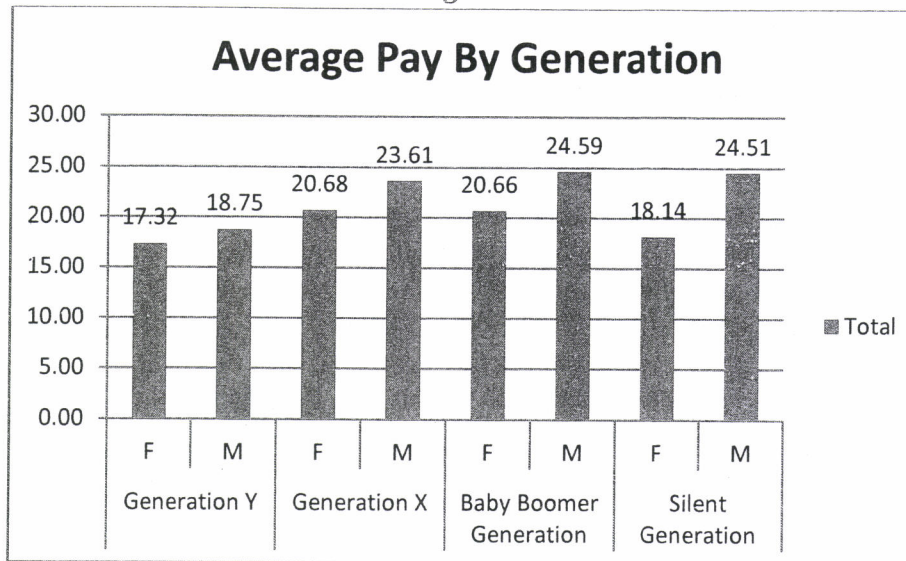
## **Average Pay by Generation**

Similar to national statistics, one factor affecting the pay gap is age. Women earn less than men, on average, from the time they enter the workplace, until they retire. This gap increases as women age. On average, women in state government make the following percent of what men earn by generation:

- Generation Y (18-30) - 92.41%
- Generation X (31-47) – 87.60%
- Baby Boomer Generation (48-66) – 84.01%
- Silent Generation (67 and above)– 74.02%

The following chart illustrates the average base pay rates, by generation, for females and males.

Figure 3



While this pay audit may provide a baseline for wages based on generation, it is not clear why women make less than men within each generation, and why this gap increases with each successive generation.

### Conclusion

The state has not tracked these statistics for state employees over time, to see if the current gaps within each generation occurred consistently through that generation's career, or if the gap increases over time. This gap is concerning, considering that women enter the workforce with slightly higher education levels than men (see the section on education later in this report).

### Recommendations

The state shall track the pay gap over time, to see whether it increases, stays the same, or improves. There has been research suggesting that women may lack negotiating skills when setting pay, and that this lack of skill in negotiating higher pay rates results in an ever increasing pay gap that grows over women's careers (see the [Equal Pay for Equal Work Task Force](#) web page). An initiative or program to provide such training may help to close the pay gap. Agencies should research and establish such training initiatives or programs, and measure their impacts on the pay gap.

### Collective Bargaining in the Executive Branch

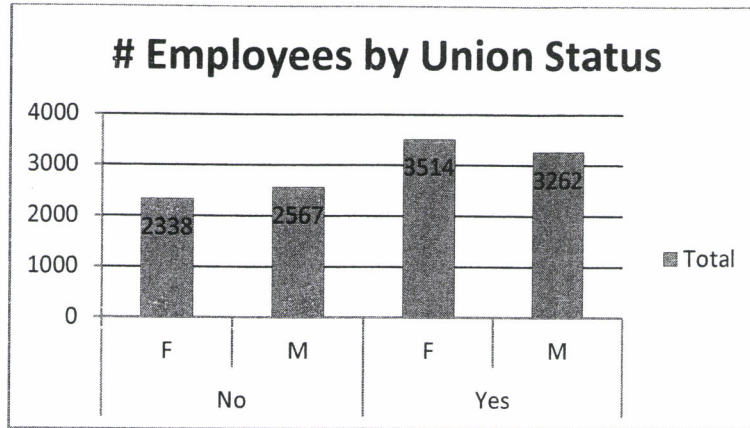
Collective bargaining and union representation continues to be an important part of Montana State government's employee pay. Pay set in contracts is legally binding.

- 41.99% (4905) of all employees in this study are not in a union
- 58.01% (6776) of all employees in this study are in a union



More women than men belong to a collective bargaining unit. Men outnumber women in non-union positions. The following table shows gender distribution by union and non-union status.

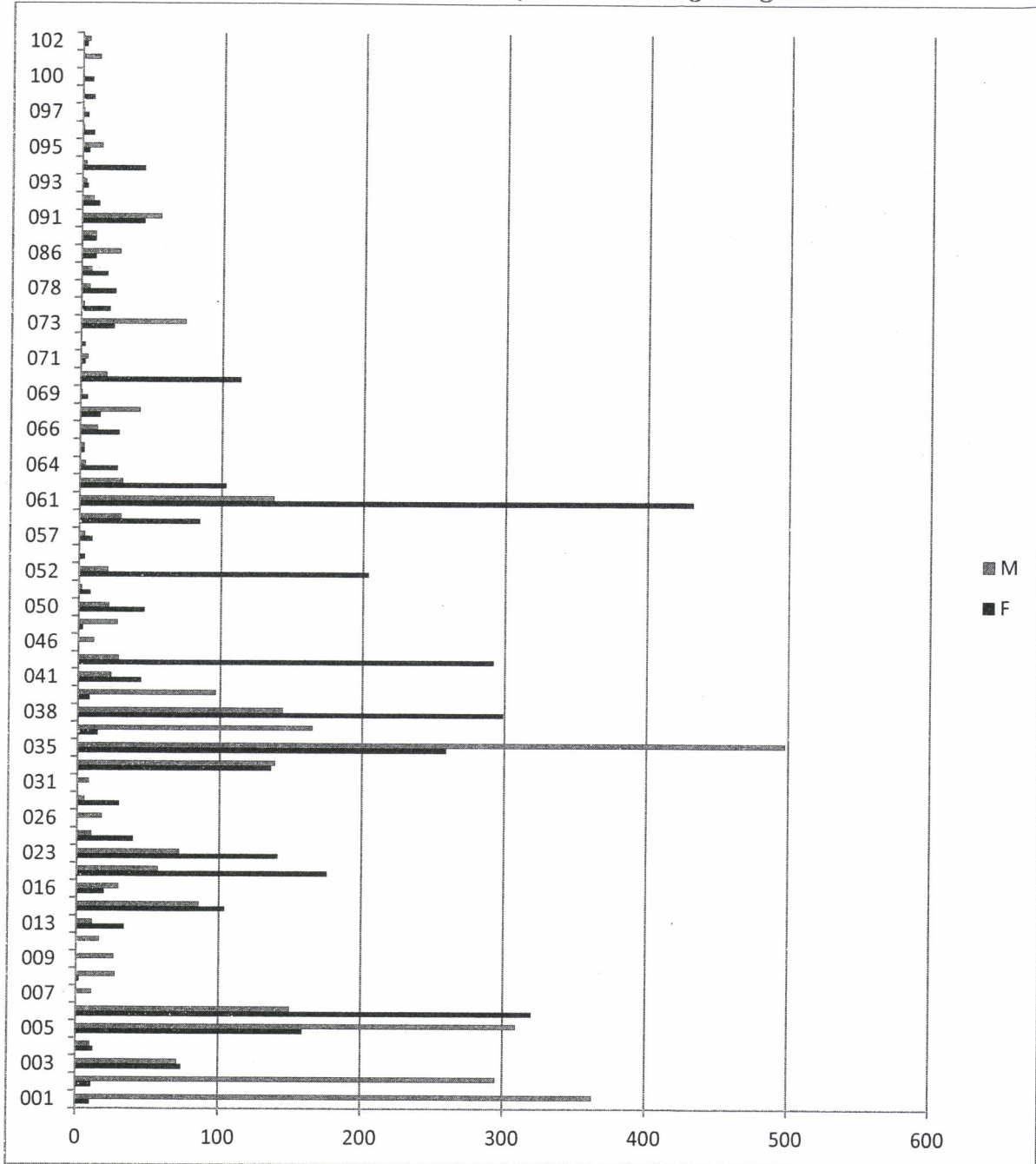
Figure 4



### Collective Bargaining Units

Some collective bargaining units have greater female representation, and some units have greater male representation. The following chart provides the representation of employees for each of the bargaining units, by gender.

**Figure 5**  
**Gender Representation by Collective Bargaining Unit**



Most collective bargaining units pay the same or similar wages for women and men within a job code. When comparing the average pay for employees only in those union job codes with both genders represented, the pay ratio is 98.67%. This ratio is nearly identical to the statewide pay ratio by gender.

## Conclusion

Even when a bargaining unit appears to be composed of predominately men or women, gender does not appear to impact collectively bargained pay when employees are in a union. Instead, occupation is, once again, the most important pay factor in a collective bargaining unit.

## Education and Experience

The department examined employee occupations in state government, in relationship to their education and degree level. The department then examined employee records to determine if education and experience affected pay rates.

### Education

The department identified gaps in education data for many state employees. State employees don't have direct access to update their education records, the records are not regularly reviewed for accuracy, and some agencies do not enter these fields in our current database. However, from the information available for those agencies that enter this information, we observed the following information.

Montana state employees have the following education levels indicated on their SABHRS record (note: 47.4% of all employees have "not indicated" on their record):

Figure 6

Education Levels	Female	Male
A-Not Indicated	2524	3017
B-Less Than HS Graduate	9	13
C-HS Graduate or Equivalent	480	505
D-Some College	564	448
E-Technical School	164	149
F-2-Year College Degree	403	277
G-Bachelor's Level Degree	1113	855
H-Some Graduate School	160	118
I-Master's Level Degree	312	299
J-Doctorate (Academic)	30	25
K-Doctorate (Professional)	89	109
L-Post-Doctorate	4	14
Grand Total	5852	5829

It is important to note that there are more women with 2-year degrees or higher in Montana state government. Men hold more doctorate and post-doctorate degrees in Montana state government, except academic doctorates. Of those employee records with indicated education, the top occupational categories for females with bachelor's level and higher degrees follow:

- Counselors, Social Workers and Community Social Service Specialists (543 employees)
- Business Operations (240 employees)



- Financial Specialists (124 employees)
- Legal (93 employees)
- Computer Occupations (64 employees)
- Secretaries (64 employees)

Also of note – females with Bachelor's degrees or higher are found in Information and Records Clerks (42) and Financial Clerks (42)

Of those records with indicated education, the top occupational categories for males with bachelor's level and higher degrees follow:

- Business Operations (175 employees)
- Counselors (160 employees)
- Financial specialists (132 employees)
- Computer Occupations (126 employees)
- Legal (106 employees)
- Engineers (99 employees)
- Law Enforcement (92)
- Physical Science (79) and
- Life Science (40)

The department did not identify a significant number of men with Bachelor's degrees or higher in lower level occupations.

### **Conclusion**

The department does not have sufficient information to determine why so many more females than males are underemployed in Montana state government. Pay may not necessarily be related to an employee's educational major, but the occupation chosen.

### **Recommendations**

This is an area that requires improved tracking and greater statistical analysis. The department recommends further research into this issue, such as a survey or study, to identify factors contributing to underemployment, as well as identify resulting initiatives that may address this issue. Additionally, the department recommends research to identify if education can be captured more accurately in the database.

### **Experience**

Employee experience upon hire into a position appears to be a factor in pay differences between women and men. Starting pay rates set the tone for pay for the rest of an employee's career. When pay rates are set upon hire, reasons for pay based on experience may include:

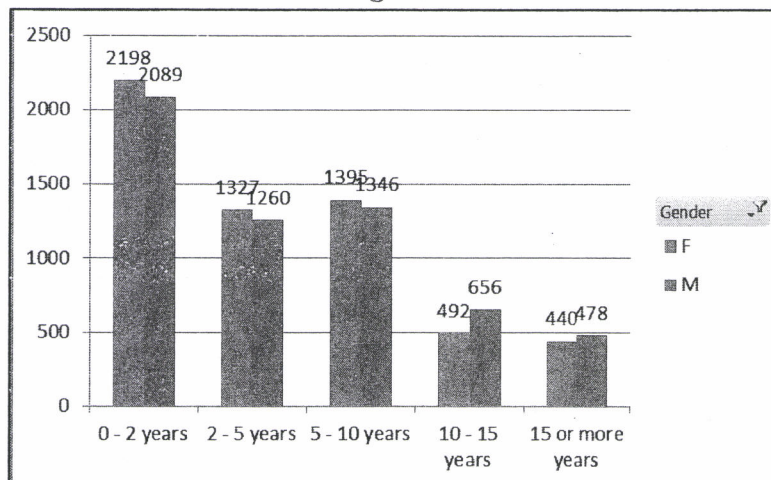
- Agency new hire practices that provide pay for state-specific experience or knowledge (such as SABHRS experience instead of PeopleSoft experience for payroll clerks, or experience with the EPP process instead of experience with managing a budget)

- Starting pay based on prior work experience outside of state government
- Starting pay based on continuous work experience from another state position

Once pay is set at hire, the most common method of pay increases in the executive branch is through mandatory statutory pay increases. A few agencies provide pay progression through career ladders. Most career ladders are negotiated in collective bargaining agreements, and experience is a factor in most of these career ladders.

The average years of service for women are 11.47 years, while the average years of service for men are 12.46 years. However, few opportunities are currently available for experienced employees within their position after they are hired, except to leave for a different position, either externally or within state government. This may be one reason why 4,287 of the 11,681 employees have been in their current position for less than two years. The following chart lists the number of employees, by gender, according to the number of years in their current position.

Figure 7



## Conclusion

Hiring practices, including those that pay more for preferred state experience rather than ability, may have an impact on gender representation, as well as the pay gap.

## Recommendations

We recommend a review or study of hiring practices and new hire pay data, once the state's new recruitment system is in place. The department also recommends further study of turnover data related to pay, and pay progression options. Results of these studies or research should result in agency initiatives or programs to help close the pay gap.

## Supervisors and Managers

Many of the pay differences between employees have been identified by the different occupations and band levels. However, in the broadband plan, supervisors and managers may be classified in the same job code as the employees they supervise. To recognize the differences in work, agencies may pay more

money to supervisors who are in the same broadband job code as their employees, as identified by their agency pay plans.

There is no supervisory field currently in the database to identify supervisory relationships. So, to identify employees who are supervisors, the division conducted a survey, and then added that information to this report.

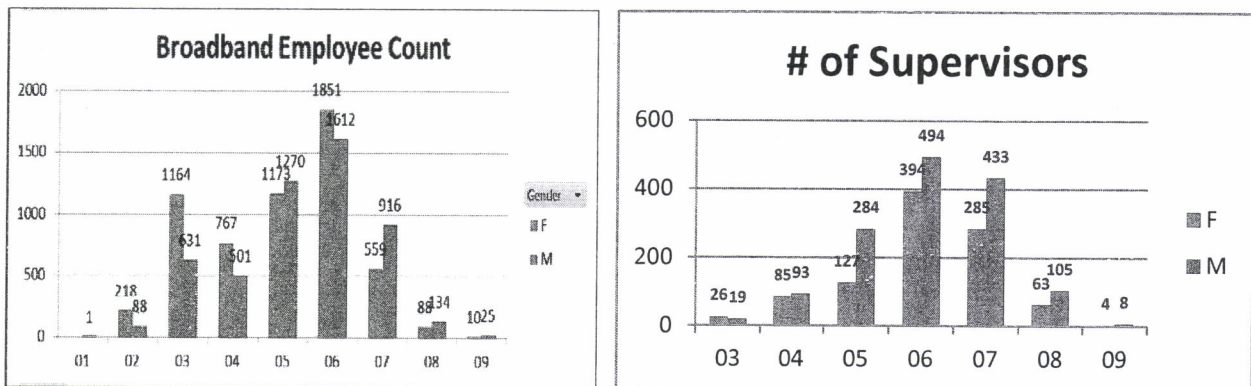
### Supervision by Band Level

Supervision occurs at most band levels, and may occur in any occupation. Supervisory information by band level follows:

- 2,420 (21.98%) in the broadband and blue collar plans are supervisors or managers, out of 11,008 total employees
- 984 of 2,420 (40.66%) of the supervisors or managers are female
- 1436 of 2420 (59.34%) of the supervisors or managers are male

The following charts and table represents the total number of classified supervisors and managers at each band level for both classified plans<sup>1</sup>. Compare this chart to the previous Broadband Employee Count chart (from page 6) at the same levels.

Figure 8



# of Supervisors (Table), with the % difference for the number of supervisors

Band Level	Female	Male	Total (Band)	% Female	% Male	% Difference
03	26	19	45	57.78%	42.22%	36.84%
04	85	93	178	47.75%	52.25%	-8.60%
05	127	284	411	30.90%	69.10%	-55.28%
06	394	494	888	44.37%	55.63%	-20.24%
07	285	433	718	39.69%	60.31%	-34.18%
08	63	105	168	37.50%	62.50%	-40.00%
09	4	8	12	33.33%	66.67%	-50.00%
Grand Total	984	1436	2420	40.66%	59.34%	-31.48%

<sup>1</sup> Note – blue collar grades 11, 12 and 13 are not included in this chart.



As demonstrated by these charts, more men supervise or manage than women. The largest numbers of supervisors or managers for both females and males occur in band six. The number of female supervisors exceeds the number of male supervisors only in band three. The greatest percent difference in the number of female supervisors compared to male supervisors is found in band five.

### **Conclusion**

When comparing the average pay for supervisors and managers only in those job codes where both genders are represented, on average, women make 99.46% of what men earn. However, increasing proportions of male supervisors and managers at higher band levels, compared to female supervisors and managers, is one of the reasons for the higher overall average salary for men.

### **Recommendations**

Stretch assignments for higher level work for women in supervision, management, and leadership roles may help to close the pay gap. Agencies should identify opportunities for promotion and advancement of women in state government, as well as providing mentoring and coaching opportunities that encourage women to achieve higher level roles.

### **Executive Management**

Of the supervisors and managers in both classified pay plans from the chart above, only the broadband plan contains executive managers. Executive managers in the broadband plan spend at least 80% of their time directly managing employees and performing high-level management activities. Executive managers can be identified by their job code and occupation. Executive management only occurs within bands 6, 7, 8, and 9. Elected officials, appointed staff, legislative branch, judicial branch, or employees in the Montana State Fund are not included in this information, as they are not classified employees.

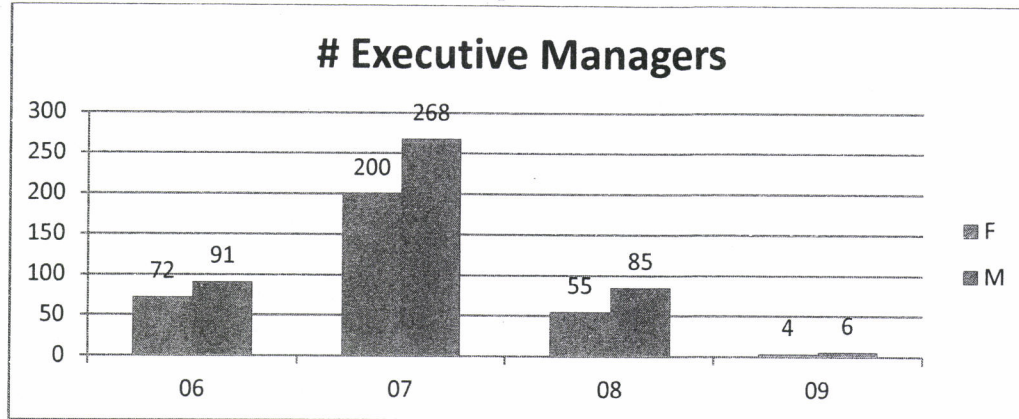
While occupation again drives pay differences between different executive management occupations, band levels within the occupation also have an impact on executive pay levels. Executive management information follows:

- 781 (7.09%) employees in the broadband plan are executive managers, out of 11,008 employees
- 331 (42.38%) of 781 executives are female
- 450 (57.62%) of 781 executives are male

The state currently does not track promotions or career movement for women or men in the executive branch. This includes opportunities for women and men for executive management positions.

The following table lists the total number of broadband classified managers within executive level jobs by band level and gender.

Figure 9



# of Executive Managers (Table), with the % difference for the number of managers

Band Level	Female	Male	Total (Band)	% Female	% Male	% Difference
06	72	91	163	44.17%	55.83%	-20.88%
07	200	268	468	42.74%	57.26%	-25.37%
08	55	85	140	39.29%	60.71%	-35.29%
09	4	6	10	40.00%	60.00%	-33.33%
Grand Total	331	450	781	42.38%	57.62%	-26.44%

Occupation is still the primary reason for the differences in pay between men and women. When comparing the average pay for executive managers only in those job codes where both genders are represented, on average, women make 98.01% of what men earn. However, representation of women in executive level jobs continues to be disproportionately less than in lower level occupations.

### Conclusion

There is still a long way to go in closing the gap between the number of women in executive management jobs and the number of men in the similar jobs.

### Recommendations

Agency workforce planning and succession planning strategies may assist in closing the gap in executive management representation. The department should partner with agencies, and assist them in the development and establishment of such plans. The department also recommends conducting research or a study to identify any agency promotion or career progression opportunities that are available for women and men, as these opportunities may result in closing the pay gap.